



EXTRAORDINARY
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NASSAU

26th June, 2020

**BAHAMAS ELECTRICITY CORPORATION
(AMENDMENT) REGULATIONS, 2020**

Arrangement of Regulations

Regulation

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MINISTRY OF PUBLIC WORKS

S.I. No. 100 of 2020

**ELECTRICITY ACT
(NO. 48 OF 2015)**

**BAHAMAS ELECTRICITY CORPORATION
(AMENDMENT) REGULATIONS, 2020**

The Minister, on the recommendation of the Bahamas Electricity Corporation, in exercise of the powers conferred by section 77 of the Electricity Act (*No. 48 of 2015*), makes the following regulations —

1. Citation and commencement.

- (1) These Regulations, which amends the Bahamas Electricity Corporation Regulations¹ may be cited as the Bahamas Electricity Corporation (Amendment) Regulations, 2020.
- (2) These Regulations shall come into operation on the 1st July, 2020.

2. Amendment of Second Schedule to S. I. No. 84 of 2010.

Part B of the Second Schedule to the Bahamas Electricity Corporation Regulations is deleted and substituted as follows —

**"PART B
FUEL ADJUSTMENT CHARGE**

- (1) The fuel adjustment charge shall be applicable to each of the basic rates set forth in PART A of this Schedule and shall be a monthly amount per kilowatt-hour representing the total cost of fuel required to produce and deliver each kilowatt-hour of electricity to consumers.
- (2) The fuel adjustment charge shall be the total cost of fuel consumed

¹*S.I. No. 84 of 2010.*

- in the previous month's billing period divided by the total amount of units billed for that corresponding period.
- (3) The total cost of fuel shall include —
 - (a) the cost of fuels used to produce electricity;
 - (b) the cost of upper cylinder lube oil;
 - (c) the cost of fuel additives as mandated by the Original Engine Manufacturer or as may be contained in equipment warranties;
 - (d) the costs associated with throughput fees;
 - (e) any applicable reasonably incurred foreign exchange and bank fees associated with fuel payments;
 - (f) relevant and reasonably incurred variable fuel costs associated with the purchase of electricity by an Independent Power Producer through a Power Purchase agreement;
 - (g) relevant and reasonably incurred costs and fees associated with any fuel hedging transactions such as cost of premiums and professional fees incurred to support the Fuel Hedge Program;
 - (h) any additional costs, including reasonably incurred demurrage, laboratory tests, inspection fees, and interest.
 - (4) The fuel adjustment charge may be held constant for a period of up to twelve months in order to provide price stability to the consumer. An over or under recovery account shall be created in order to monitor the movement in this account.
 - (5) A reconciliation adjustment shall be made to the fuel adjustment charge either —
 - (a) at the end of the period to remediate any adjustments as may be necessary to the billing or fuel costs; or
 - (b) the over or under recovery account exceeds $\pm 5\%$ of estimated annual fuel cost.
 - (6) The total of any adjustment to be made shall be prorated over the ensuing twelve months."

Made this 26th day of June, 2020

Signed
T. DESMOND BANNISTER
Minister charged with responsibility for the
Administration of Electricity